

# 2005 ANNUAL REPORT



**PROTECTING   SERVING   LEADING**

OFFICE OF  
**MISSOURI ATTORNEY GENERAL**  
**JEREMIAH W. (JAY) NIXON**



# Protecting taxpayer money

One of the ways the Attorney General's Office protects Missourians is by saving money for taxpayers.

## Saving money in 2005



For every dollar spent,



The AG's Office  
generated or saved \$18.78.

Total 2005 state appropriation **\$19,480,612**

Total generated or saved by  
the Attorney General's Office

<b>(By division)</b>	<b>\$365,686,493</b>
Agriculture and Environment	\$3,399,929
Consumer Protection	11,071,429
Financial Services	15,109,948
Governmental Affairs	7,372,318
Labor	2,326,879
Litigation	297,685,558
Public Safety	28,720,432

# PROTECTING • SERVING • LEADING

A MESSAGE FROM ATTORNEY GENERAL JAY NIXON

The year 2005 marked the beginning of my fourth term as Missouri's Attorney General. I am honored to serve in this leadership position longer than any other person in the state's history. I am grateful to the citizens of Missouri for putting their trust in me, and for the outstanding attorneys and support staff who make this one of the finest Attorney General offices in the nation. "Protecting — Serving — Leading," the title of this annual report, reflects what we do on a daily basis.

Whether it be a persevering in a decade-long court battle to protect our Missouri River communities and farmers from harmful changes in the management of the river, or launching an immediate investigation and fast legal action to protect consumers from price-gouging following Hurricane Katrina, we are ever mindful of the role we play in protecting the citizens of our state.

## PROTECTING CITIZENS

Fighting crime and protecting consumers and the environment continue to be primary core duties of this office and essential to protecting the citizens of our state. This past year, criminal attorneys served the people of Missouri by handling 749 cases in 101 counties and the city of St. Louis.

Likewise, our consumer protection attorneys and staff in 2005 recovered a record \$3.48 million in restitution through mediation (as part of more than \$9 million returned to consumers overall) as they handled 89,000



complaints and inquiries. Missouri consumers who were victims of a misleading rebate program, for example, are receiving \$1.8 million in restitution — protection by my office that was in place before the company declared bankruptcy.

## SERVING CITIZENS

Government exists to serve the citizens and to provide for the common good. Some may call for a smaller government role, and some for a larger role. I believe in "right-sizing" government, and that means operating a government that is both efficient and can effectively provide the right services that help our state and its citizens.

Providing information that Missourians can use to better their lives is one way we serve. For example, last year I launched our Check a Charity page on the Web to help Missourians make wise use of their charitable donations.

As always, attorneys and staff in our office are ever mindful to saving taxpayers money. For every dollar appropriated in 2005, the Attorney General's Office

saved or generated \$18.78 for the people of Missouri.

## PROVIDING LEADERSHIP

Leadership is a quality that is harder to define and quantify. I believe our citizens know leadership when they see it — and I am confident they see leadership in the Office of the Attorney General. I am proud of the leadership role this office plays in Missouri.

Whether identifying the need for stronger meth laws, calling for needed reform to the payday loan industry, providing training and direction for new law enforcement efforts, or recovering more than \$27 million from those who defraud the Medicaid system, the Office of the Attorney General provides leadership for all areas of government.

Every year we provide seminars and training on Internet crime for law enforcement, and certified teachers for the Highway Patrol Academy. More than 1,200 public officials were educated through our seminars on compliance with the Missouri open meetings laws, and over 1,500 elected officials have been through our Ethics in Government seminars over the years.

I'm proud of what we have accomplished on behalf of the people of Missouri. This 2005 annual report reviews our commitment to these important ideals of protecting, serving and leading.

# 2005 ANNUAL REPORT

## INSIDE

DIVISION	MISSION	PAGE
Agriculture and Environment	To protect and enhance Missouri agriculture and the beneficial use of our natural resources now and in the future by vigorously enforcing the law and advocating responsible public policy.	6
Consumer Protection	To promote a free, fair and open marketplace by aggressive enforcement of Missouri's consumer protection laws and by advocating for consumers and educating the public.	9
Criminal	To successfully defend the punishment of those lawfully convicted of crimes, to safeguard and refine the criminal law of this state in the interests of justice, and to educate, coordinate and communicate with prosecutors, judges, law enforcement agencies and victims.	12
Financial Services	To protect and advance the interests of the state and its citizens through the aggressive pursuit, recovery and preservation of state assets, public funds and child support obligations.	14
Governmental Affairs	To protect the safety and well-being of Missourians by ensuring professionals such as physicians adhere to state laws; helping the most vulnerable get good care; enforcing state ethics and campaign finance laws; ensuring appropriate Medicaid reimbursement, representation, advice and legal support to state agencies and officials; and to protect citizens by enforcing compliance with state laws by charitable trusts, foundations and nonprofit corporations.	16
Labor	To protect the interests of Missouri workers by paying the appropriate amount from the Second Injury Fund and Workers' Compensation Fund for state employees, and to handle those cases in a timely and fair manner.	19
Litigation	To provide quality representation to the state, its agencies and employees; to protect and enhance the ability of public servants to do their jobs while advancing justice for the citizens of the state and the state's sovereign interests; and to provide expertise and resources to other divisions in the AG's Office.	21
Public Safety	To be aggressive and fair prosecuting in the interest of justice; to assist and educate law enforcement and prosecutors in their role of protecting the public; to defend law enforcement from unwarranted interference and judgments in civil litigation and to be responsive to the needs of crime victims.	23
Year-end review	The Attorney General's Office summarizes actions taken during 2005.	25

The Missouri Office of the Attorney General  
is an equal opportunity employer.



# AGRICULTURE & ENVIRONMENT

## DIVISION

### Missouri River ruling protects agricultural interests

A federal appeals court in August issued a ruling affirming flood control and navigation as the dominant priorities for management of the Missouri River reservoirs by the Army Corps of Engineers. Attorney General Jay Nixon has waged court battles since 1993 to protect the interests of Missouri agriculture and communities along the river.

### Utility pays \$1.3 million for fish kill at Bagnell Dam

AmerenUE paid \$1.3 million to the state of Missouri to compensate the state for a massive fish kill just below the Lake of the Ozarks.

More than 43,000 fish were killed in May and June of 2002 when they were sucked into the turbine generators at Bagnell Dam when AmerenUE released large amounts of water from the dam.

Under the agreement with Attorney General Nixon, the utility also will construct a barrier to prevent future such fish kills.



A blazing tire dump containing over a million tires in Polk County is a perfect illustration as to why the Missouri legislature should renew a lapsed fee that helped clean up such sites, Attorney General Nixon tells reporters. Firefighters from 19 fire departments battled the blaze for two days before deciding to let it burn itself out.

### Nixon sues to stop odors from turkey plant

The Attorney General's Office and the city of Carthage jointly filed a public nuisance lawsuit against Renewable Environmental Solutions to stop a long-standing problem with odors from its facility that processes turkey parts into crude oil.

The facility is located in a residential neighborhood of Carthage. The court issued a preliminary order, directing RES to begin installing better odor control equipment.



Nixon visits with Carthage City Attorney David Mouten, center, and Mayor Kenneth Johnson after they announced a joint lawsuit against the turkey processing plant.

### ABOUT THE DIVISION

The Agriculture and Environment Division aggressively protects Missouri's natural resources and agricultural productivity. Attorneys take legal action to stop pollution of the state's air, water and soil and penalize polluters through fines, penalties and, in the most serious cases, incarceration. The division also works to protect and enhance agriculture and the quality of life for rural Missourians by enforcing the law and advocating responsible public policy.



# State attorneys take action to clean up waterways

## **Makeshift bridges blocking Ozark streams removed**

Attorney General Nixon obtained court orders requiring two construction companies to dismantle illegal bridges they constructed across two Ozark streams in order to mine gravel.

Holt Construction built a bridge across the Pomme de Terre River, and Hunt Excavating constructed its illegal bridge across Mack's Creek.

In addition to dismantling the bridges, both companies were required to repair damage to the streams.

## **Creosote discharge leads to \$138,000 settlement**

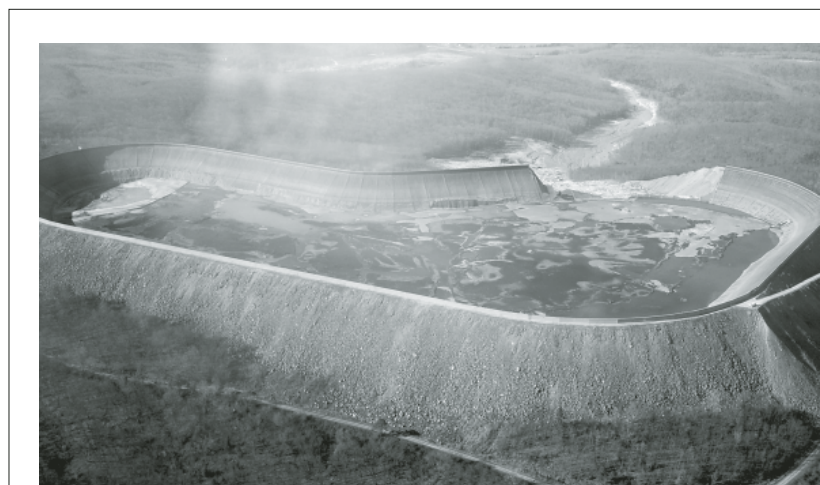
The illegal discharge of diesel and the wood-treating chemical creosote from a demolition site near Springfield led to a settlement between the Attorney General's Office, the site owner and the demolition company.

Kerr-McGee Chemical and Hydrovac paid \$138,000 for penalties and to pay for response costs by the Department of Natural Resources and the city of Springfield. The mixture was discharged into the Little Sac River after passing through sewer lines.

## **Court jails developer for failing to address wastewater problems**

The developer of a subdivision in Lincoln County was jailed for a second time for ignoring a court order to make environmental improvements.

The Attorney General sued Mike Flynn for the wastewater treatment problems and won a court order, but Flynn failed to



Attorney General Nixon, below right, and Bill Bryan, deputy chief counsel of the Agriculture and Environment Division, tour the flood-damaged Taum Sauk reservoir area. More than 1 billion gallons of water were released after the reservoir, above, gave way on Dec. 14, carving a path down Proffit Mountain that carried away trees and topsoil and exposed the bedrock. Below left: The campgrounds at Johnson's Shut-Ins State Park in Reynolds County were destroyed by the waters.



make the ordered improvements and Attorney General Nixon asked the court to find him in contempt.

"Jail time for ignoring civil court orders is a serious step, but we are adamant that these problems be addressed," Nixon said.

## **Springfield man pleads guilty to dumping molasses that polluted Ozark stream**

Stephen Lindsey pleaded guilty

to dumping a 50,000-gallon mix of spoiled molasses and water into a sinkhole in southwest Missouri.

The Attorney General's Office charged Lindsey with violating Missouri's Clean Water Law. The molasses contaminated the groundwater and surfaced in a spring about three miles from the sinkhole, polluting the water and killing fish.

The court ordered Lindsey to pay \$6,000 to a nearby landowner and placed him on probation.

## Division protecting Missouri land

### **AG obtains order to clean up 250,000 rotting chickens**

The Attorney General obtained a court order requiring a Barry County poultry processing facility to immediately clean up the mess from 250,000 frozen chickens that had thawed. The company had abandoned the refrigerated warehouse and allowed the electricity to be turned off.

### **Nixon sues for testing, cleanup at Cold War-era federal facility**

The Attorney General filed a lawsuit to have testing and cleanup done at a Jefferson County site once used by the federal government for processing nuclear fuels.

Groundwater sampling at and near the Hematite location showed radioactive materials as well as industrial chemicals had been disposed of at the site, which was occupied by private contractors after the federal government closed its operation.

### **Defeat of bill to strip local control from rural Missouri hailed by Nixon**

Attorney General Nixon said the defeat in 2005 of a bill to strip

control over factory farms from local government was a victory for rural Missouri. Nixon was vocal in his opposition to the bill.

"The families who live on small farms have practiced a 'good neighbor' policy for generations," Nixon said. "Those who live in rural counties ought to be able to have a say in quality of life issues such as corporate agriculture through their local elected officials."

### **Effort to ensure coverage for storage tank problems pays off**

The Attorney General's Office completed an effort to ensure that the owners of approximately 15,000 underground storage tanks were complying with state and federal laws requiring them to have sufficient financial coverage for the tanks in case of spills or other environmental problems.

At the beginning of 2005, staff attorneys sent warning letters to about 150 tank owners still in violation of the law. By August, only 21 stations still were not in compliance and the Attorney General filed lawsuits to bring those remaining stations in line with the law.



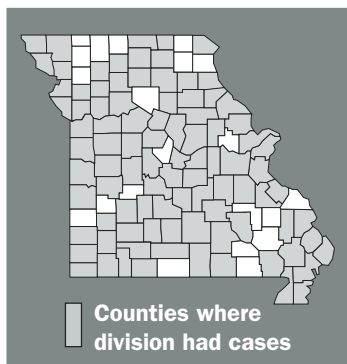
Attorney General Nixon talks with Bootheel farmers about their concerns on grain prices.

## Attorney General meets with Bootheel farmers over grain shipment concerns

Attorney General Nixon and state Rep. Otto Bean Jr. of Holcomb held a meeting with farmers in Kennett on Dec. 7.

Nixon listened to their concerns that they were paid lower prices for their grain and charged higher prices for grain storage after Hurricane Katrina disrupted barge traffic and affected ports along the Gulf Coast earlier this fall.

Investigators from the Attorney General's Office are looking into the complaints.



### **Recovering money**

Division attorneys had active cases in 92 counties and the city of St. Louis in 2005. They recovered \$3.4 million in penalties, damages and costs.

The categories of where the money came from were:

- Water: \$1,417,672
- Hazardous waste: \$837,300
- Air: \$193,750
- Underground storage tank: \$72,280

- Solid waste: \$38,259
- Other cases: \$840,668

### **Caseload**

The division won or resolved on terms favorable to the state more than 95 percent of its cases in 2005.

Total cases: 1,319

Cases opened: 577

Cases resolved: 528

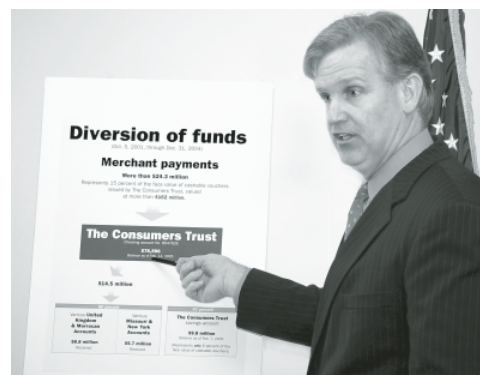
# CONSUMER PROTECTION

## DIVISION

### Rebate company pays \$1.8 million for misleading cash-back vouchers

Missouri is the only state to get consumer refunds from the now-bankrupt Consumers Trust, which agreed to pay \$1.85 million in restitution and costs.

The Attorney General's Office sued Consumers Trust in February, accusing the company of running a rebate scheme whose terms and conditions made it virtually impossible for consumers to qualify for refunds on high-dollar merchandise like cars, hot tubs and even cosmetic surgery.



The Attorney General explains the scheme.

### Attorneys protect consumers from unethical practices

#### Operation Grave Concerns takes on fraud in funeral, headstone sales

Division attorneys filed both criminal and civil legal action, taking on several individuals and businesses involved in prepaid funerals and headstone sales.

The allegations were that they collected money from consumers making prearranged plans for funeral and burial, then did not deliver the funeral services and monuments.

The funeral homes were alleged to have violated state law by not depositing the prepaid funds in a trust, and in some cases using the money for other purposes. The cases involved about 500 Missourians who had spent more than \$800,000 on the prearranged plans.



#### "Junk faxers" blasted in court

Division attorneys took action to stop the flood of unsolicited faxes that advertise everything from "hot stock tips" to Florida vacations.

Lawsuits filed in courts across the state named 13 companies that sent junk faxes to Missouri fax lines, wasting toner, paper and time. Junk faxes was the second-highest category of consumer complaints to the Attorney General's Office in 2005.

#### Post-hurricane gas price gouging leads to legal action, fines

Investigators looked into hundreds of reports about gas prices after Hurricane Katrina hit the Gulf Coast in August.

Attorneys took legal action against owners of 10 Missouri gas stations for price gouging after Hurricane Katrina hit the Gulf Coast.

Nine of the gas stations paid nearly \$7,000 to their local school funds in September; the tenth paid \$2,000 to settle in February 2006.

#### ABOUT THE DIVISION

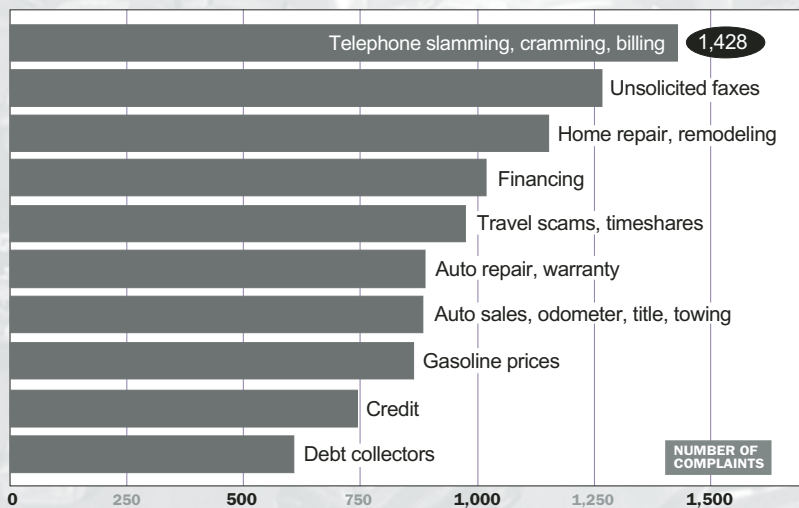
The Consumer Protection Division represents the state in consumer fraud and antitrust cases. Among the cases the division pursues:

- Civil lawsuits and criminal prosecutions against businesses and individuals who defraud consumers through the advertising and sale of products or services.
- Investment fraud.
- Antitrust matters.
- No Call law violations.



**2005 TOP 10 COMPLAINTS & INQUIRIES**

Telephone service-related charges topped the list of complaints made to the Consumer Protection Division in 2005. The top 10 categories are:

**Record \$3.48M returned to consumers through mediation**

The Consumer Complaint Unit recovered \$3.48 million in restitution through mediation efforts, a record for the office. These cases returned money to consumers without having to set foot in a courtroom. Seventy-one percent of the cases involved transactions of \$500 or less.

The unit, which serves as an advocate at no charge to consumers facing disputes with businesses, handled nearly 89,000 complaints and inquiries in 2005:

- Hotline calls: 68,053
- Written: 15,043
- E-mail: 10,625

## Division targets towing operator, financial scams

**Tow-truck operator facing charges in criminal and civil court**

Felony charges were filed against the owner of a St. Louis towing company accused of selling vehicles to consumers and willfully defrauding them by not providing the car titles.

Bruce Gales also faces a civil lawsuit by the Attorney General's Office, which received more than 130 complaints from consumers who say Gales held their towed cars hostage by demanding outrageous prices to give them back.

**\$2.4 million recovered in Medicaid fraud, antitrust settlement with transport company**

Medical Transportation Management of Lake St. Louis agreed to settle a lawsuit that alleged MTM collected excessive payments from the Missouri



Nixon says hotline operators will tell callers how to report theft and how to protect themselves.

**ID Theft Hotline established**

Attorney General Nixon, citing the increase in identity theft across Missouri and the United States, set up a hotline for Missouri consumers in July.

"Consumers need a resource to help them wade through the confusion over preventing and minimizing the damage from identity theft," Nixon said.

**ID Theft Hotline**  
800-392-8222

Medicaid program for non-emergency transportation of Medicaid recipients.

Attorney General Nixon had also alleged antitrust violations after MTM and competitor LogistiCare negotiated a contract that allowed MTM to become the sole bidder for the state's business.

**Financial scammers caught up in Operation Shark Net**

Nine lawsuits spread across Missouri targeted companies and individuals the Attorney General says offered bogus services for everything from investment schemes to credit-repair to help obtaining government grant money.

One of the allegations accused a company called Kleen Credit for charging as much as \$7,000 in advance to help a consumer clean up bad credit history.

# Consumer attorneys freeze companies' assets



Flanked by officers from St. Louis and St. Charles County police departments, Attorney General Nixon announces a crackdown on “badge fraud.”

## Badge fraud, bogus charity operation shut down

Division attorneys froze the assets of a father-and-son team posing as police officers to solicit charitable donations over the phone.

Gerald Lami and his son, Jay, used the names Police Tribune and Safety Promotions to raise money and violated Missouri law by claiming to be police officers and by failing to register with the Attorney General’s Office as a charitable organization.

Business owners in the St. Louis area had complained to police, who forwarded the complaints to the Attorney General.



Nixon greets St. Peters Police Chief Tom Bishop. His department was one of several working with Nixon on badge fraud complaints.

## Appliance manufacturer gets assets frozen after leaving consumers in the cold

A burst of consumer complaints in October led investigators to a St. Louis appliance company that collected money in advance from customers for high-dollar products, then shut its doors suddenly.

Attorneys got a temporary restraining order to freeze the funds of Cohen Appliance until consumers could get either their money back or the appliance they purchased.

One consumer said Cohen closed its doors one day after the purchase was made.

# CRIMINAL

## DIVISION

### State Supreme Court upholds death sentences

Attorneys successfully argued before the Missouri Supreme Court to uphold or affirm five death sentences in 2005:

- **Walter Storey** was sentenced to death after he beat and stabbed to death a woman in St. Charles County in 1990, after breaking into her apartment to commit a robbery.
- **Marcellus Williams** stabbed a woman to death in University City in 1998 after breaking into her home to commit a robbery and was sentenced to die.
- **Mark Gill** received the death penalty after he and an accomplice kidnapped, robbed and shot to death a rural Cape Girardeau County man in 2002.
- **David Zink** was given the death sentence for using his vehicle to ram the car of a 19-year-old woman on a highway in Osceola, kidnapping her and murdering her at a motel.
- **Michael Shane Worthington** was sentenced to death after he broke into his neighbor's home in Lake St. Louis and beat, raped, strangled and robbed her.



**Remembering the victims:** Karen Long, daughter-in-law of the late James and Zelma Long, speaks at the unveiling of the traveling memorial known as The Murder Wall at the state Capitol as Buchanan County Prosecuting Attorney Dwight Scroggins and Attorney General Nixon look on. James and Zelma Long were murdered in their Jefferson County home in 1996.

### Federal appeals court upholds death sentences

In 2005, attorneys from the Criminal Division successfully defended four death penalty cases at the 8th U.S. Circuit Court of Appeals:

- **Vernon Brown**, sentenced to death for the 1985 strangulation and stabbing death of a woman in St. Louis. Brown was executed on May 18 for the abduction and murder of a 9-year-old St. Louis girl in 1986.
- **Jeffrey Ferguson**, who was given the death penalty for abducting a teenage girl from a gas

station in St. Charles and murdering her in 1989.

- **Roderick Nunley**, sentenced to die for his role in the kidnap, rape and murder of a 15-year-old girl in Kansas City in 1989. Nunley and his accomplice abducted the girl in front of her house as she waited for the school bus.
- **Andrew Lyons** was sentenced to death for the 1992 shotgun slayings of his 11-month-old son, his girlfriend and his girlfriend's mother in Cape Girardeau.

#### ABOUT THE DIVISION

The Criminal Division represents the state in every felony case appealed to the Supreme Court of Missouri and Missouri Court of Appeals, and also defends the state in all habeas corpus actions filed by prison inmates in state and federal court.



# Five murderers executed

Criminal attorneys opposed attempts to overturn murder convictions and sentences. Five convicted murderers were put to death in 2005:

- **Stanley Hall** killed a St. Louis woman by throwing her off the McKinley Bridge and into the Mississippi River in 1994 after an attempted carjacking by Hall and a co-defendant.
- **Donald Jones** stabbed his grandmother to death in St. Louis in 1993 after she refused to give Jones money to buy crack cocaine.
- **Vernon Brown** kidnapped, sexually assaulted and strangled a 9-year-old girl in his St. Louis home in 1986, one of two death sentences he received. The other sentence resulted from Brown murdering a 20-year-old woman in St. Louis in 1985.
- **Timothy Johnston** beat his wife to death in St. Louis in 1989 after an argument.
- **Marlin Gray** was one of four defendants who robbed, raped and pushed two sisters off the Chain of Rocks Bridge to their deaths in St. Louis in 1991. A third victim, a male cousin of the sisters, was also pushed off the bridge but survived to testify.

## State work

Criminal Division attorneys defended habeas corpus petitions filed by prison inmates in the state Supreme Court, three districts of the Missouri Court of Appeals, and in circuit court in 20 Missouri counties.



## Remembering the smallest victims:

Jefferson City KRCG-TV Sports Director Rod Smith introduces Attorney General Nixon at a rally to bring attention to the problem of child abuse. Nixon was the keynote speaker at the Prevent Child Abuse Missouri Rally.

# Division defends felony convictions

The Criminal Division defended 724 state felony appeals and 529 habeas corpus petitions (232 filed in federal court and 297 filed in state court) in 2005. Among the convictions or sentences upheld:

- The second-degree murder conviction of **Shannon Gregory** out of Boone County. Gregory was sentenced to life imprisonment for his role in the murder of Dexter Bradford. Bradford was murdered by Gregory and two other defendants because they were worried Bradford was going to go to the police about a robbery-shooting two of them were involved in.

The three men attacked the victim, threw him into a trunk, stabbed him repeatedly when he tried to escape, hit him on the head with a tire iron and dumped him into a creek, where he died from loss of blood.

- The second-degree murder and first-degree child endangerment convictions of **Brandy Burrell** in Buchanan County. Burrell allowed her boyfriend to physically abuse and ultimately kill her child.
- The first-degree murder, kidnapping and forcible rape convictions of 16-year-old **Zachariah Tripp** out of Buchanan

County. He kidnapped, raped and strangled a 15-year-old girl and dumped her body into a stream. He was sentenced to life in prison without parole for the murder.

- The first-degree murder conviction of **Hardy Allen Griffin**. Griffin was found guilty in St. Francois County of murdering Terry Burns, his wife's paramour. After filing for divorce, Griffin and his wife were separated when he learned that his wife had a romantic relationship with Burns. After a confrontation with Burns, Griffin obtained a shotgun and shot Burns at close range as they slowly drove past one another.

- The second-degree murder conviction of **Stephion Sutton**. Sutton pleaded guilty in St. Louis after he was involved in stealing a car and leading St. Louis Police on a high-speed car chase in which an officer crashed and was killed. Sutton challenged his guilty plea, alleging a lack of factual basis and arguing ineffective assistance of counsel.



# FINANCIAL SERVICES

## DIVISION

### AG goes after inmates with assets to pay for their care

Division attorneys continued an aggressive pace to recover upkeep costs from inmates who have assets to pay for their care.

Recoveries from Missouri inmates in 2005 totaled \$748,682; combined with the \$884,405 recovered in 2004, more than \$1.6 million was brought in to defray costs that taxpayers otherwise would bear.

The Attorney General used a 1988 law which entitles the state to recover up to 90 percent of an inmate's assets after any

obligations to spouse or children are met.

Since taking office in 1993, Attorney General Nixon has collected more than \$4 million from inmates to reimburse the state for the cost of their care.

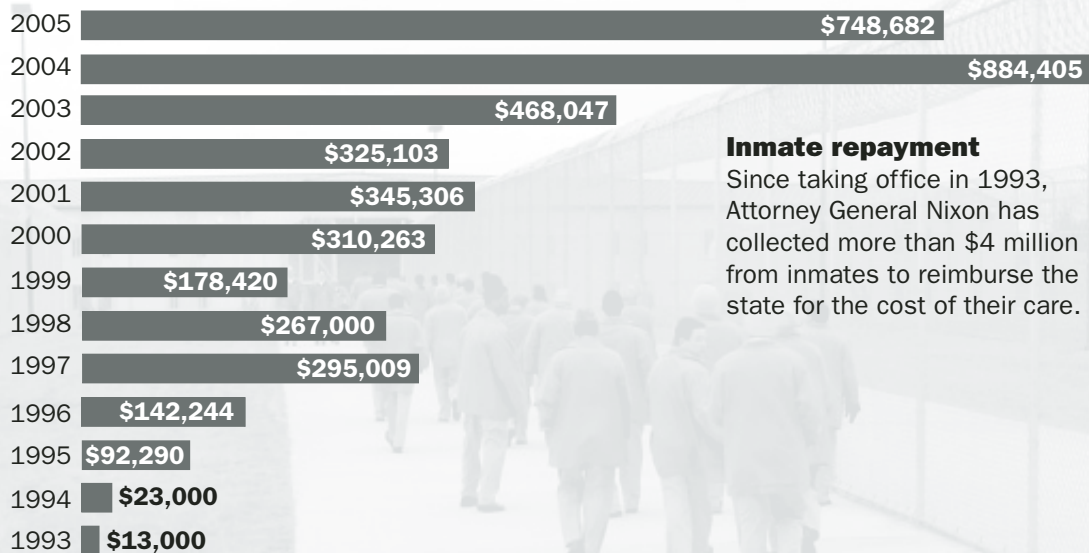
The more notable recoveries from Missouri inmates in 2005 included:

- **\$34,036** from John Delmain and his brother, Warren Delmain, both convicted of rape, sodomy, kidnapping and other felonies. The brothers

received money from their father's estate in Franklin County.

- **\$30,335** from John Cox, convicted of DWI. The money was recovered from his bank account and paid for the entire cost of his incarceration.
- **\$20,684** from Latrelle Campbell, serving a life sentence after being convicted of second-degree murder and armed criminal action. He received money from an estate in St. Louis.

#### Assets recovered from inmates since 1993



#### Inmate repayment

Since taking office in 1993, Attorney General Nixon has collected more than \$4 million from inmates to reimburse the state for the cost of their care.

#### ABOUT THE DIVISION

The Financial Services Division protects Missourians by:

- Recouping money owed to the state, state officers or state agencies.
- Litigating to establish and enforce child support obligations.

### **State paid in settlement with bankrupt telecom giant**

Financial Services attorneys were successful in pursuing payment from Worldcom, after the telecom giant went into bankruptcy owing the state over \$2 million in connection with two programs of the Department of Economic Development.

Division attorneys negotiated a settlement that included a setoff of \$1.5 million in tax refunds owed to Worldcom, as well as a setoff of \$750,000 held in trust accounts associated with the state's claims.

### **Ag Department loan repaid, thanks to lawsuit by AG**

The principal has been repaid on a \$35,000 loan from the Department of Agriculture to a small business, thanks to legal action by the Attorney General.

Mo Tech Labs went out of business after receiving the loan from the Agricultural Business Development Loan Program.

Repayment was crucial for the loan program, because the program was funded by the state on a one-time basis in the 1950s and depends on recipients repaying their loans for the program to continue. Financial Services attorneys are continuing to seek recovery of the interest.

### **Estate Recovery program brings in record \$10.7M**

The Estate Recovery program returned a record \$10.7 million to taxpayers in 2005, over \$2.6 million more than the previous record total from 2004. Prior to the Attorney General taking over the program in 2003, only \$5.4 million was recovered in the previous fiscal year.



#### **Outstanding appellate skills:**

Nixon congratulates LaSandra Pearl, an attorney in the Financial Services Division, upon her receiving the David J. Dixon Appellate Advocacy Award. The Missouri Bar Foundation created the award to recognize outstanding achievements in appellate practice by young members of the Missouri Bar.

Division attorneys work to recover Medicaid payments from the estates of recipients if assets exist and are eligible for recovery.

In a Lawrence County estate, the division successfully made a claim to recover \$462,000 for Medicaid. The division also won an important appeals court ruling in a Boone County case that directed the probate court to open an estate so assets could be determined.

#### **Division works with state Lottery to curtail bad debt**

The number of retailers whose payments to the Missouri Lottery for ticket sales were past due decreased by 75 percent during 2005, thanks in part to a cooperative effort involving lottery officials and Financial Services attorneys and staff. New procedures were put in place to review retailer applications and identify high risk applicants.

## **Taxpayers protected in child support cases**

### **Action against license of optometrist leads to \$37,000 recovery**

Division attorneys filed to suspend the license of an optometrist who owed a large amount of child support. They discovered two investment accounts while the lawsuit was pending, leading to an eventual payment of more than \$37,000 from the doctor that paid off the amount in arrears.



### **Woman arrested for non-support drops lawsuit against state**

A non-custodial parent arrested for failure to pay child support sued the Department of Social Services, claiming the state could not take legal action against her because she had filed for bankruptcy. Division attorneys pointed out that bankruptcy does not stay criminal action being taken or proceeding against a debtor. She withdrew her lawsuit.

### **State authority to seek child support modification upheld**

Financial Services attorneys successfully protected the state's authority to seek modification of a child support order after the authority was challenged by a non-custodial parent. The non-custodial parent claimed the state could not seek the modification because the other parent was not on public assistance. The ruling was upheld by the Missouri Court of Appeals, Southern District.

# GOVERNMENTAL AFFAIRS

## DIVISION

### Missouri's non-profit assets safeguarded

Governmental Affairs attorneys continued to carry out the Attorney General's role as steward for the state's non-profit assets.

The staff reviews proposed mergers, sales and transfer of the assets of charitable trusts and foundations and non-profit corporations to ensure that the assets will continue to be used in accordance with the mission of the non-profit organization.

Attorneys also review complaints about non-profits, so that those assets are protected.

In 2005, work by division attorneys and staff resulted in the protection of almost \$140 million of Missouri non-profit assets. This amount was in addition to the total considered saved or generated by the Attorney General's Office in 2005.



Sarah Elder, curator of collections at the non-profit St. Joseph Museum, gives Attorney General Nixon a tour of the Wyeth-Tootle Mansion, which is part of the museum. Nixon was in St. Joseph to announce that the museum board had addressed his concerns about Sunshine Law and conflict-of-interest matters.

#### **Attorney General works to make governments more open**

Staff attorneys continued to work to make Missouri's state and local governments more open and accessible to citizens.

In 2005, attorneys held 23 training sessions around the state to educate 1,184 public officials.

They also took 652 inquiries from local government officials, citizens and the media with questions or concerns about open meetings or records.



Nixon provided thousands of copies of the Sunshine Law booklet.

#### **ABOUT THE DIVISION**

The Governmental Affairs Division protects citizens' safety and well-being by:

- Ensuring that professionals such as doctors adhere to state laws and disciplinary rules.
- Enforcing state ethics and campaign finance laws.
- Removing care givers who abuse or neglect vulnerable citizens.
- Helping mentally ill and physically challenged Missourians obtain guardians to help get care.
- Seeking redress for claims of discrimination based on race, color, religion, national origin, ancestry, gender, disability, age and familial status.
- Ensuring appropriate Medicaid reimbursement.
- Enforcing compliance with state laws by charitable trusts, foundations and non-profit corporations.
- Enforcing state law requiring certain tobacco manufacturers to establish escrow accounts.
- Representing the Missouri Gaming Commission and the Missouri Lottery Commission.
- Handling teacher certification cases.

# Division attorneys work to discipline professional licenses

Governmental Affairs attorneys represent the state to take action against those who hold professional licenses who engage in misconduct. Attorneys opened 748 new cases and closed 598 cases involving professional licenses in 2005. As a result, 109 licenses were revoked, 85 suspended, and 249 license holders put on probation. That amount included 37 cases involving the revocation of teacher certification and four suspensions. Also, 23 nurses, 16 realtors, 11 physicians and seven embalmers were among those who had their licenses revoked. Another 118 licenses were voluntarily surrendered.

## **Complaint against jail architect resolved**

A professional engineer who designed the steel framing system for the Phelps County jail had his license put on probation for five years after division attorneys filed a complaint that he had practiced outside his area of expertise.

As a result, the state said, the project required another \$143,000 in steel and the project was temporarily stopped.

During probation, the engineer must have his work reviewed by another engineer approved by the state board for architects.

## **Teacher certificate revoked; engaged in inappropriate sexual conduct**

Legal action by the division resulted in the revocation of a teaching certificate by a teacher who also coached a girls' team at

a St. Louis-area high school.

The complaint alleged the teacher made inappropriate sexual comments to students and teachers, discussed with a student the alleged sexual behavior of another student, used profanity around students, and asked another teacher to have sex with him at school. Two days prior to a hearing before the State Board of Education, the teacher agreed to revocation of his certificate.

## **Funeral director who submitted false death claims gives up licenses**

A Unionville funeral director gave up his funeral director and embalmer licenses under an order obtained by Governmental Affairs attorneys. The funeral director sold preneed plans to consumers, then submitted false death claims to the holders of the preneed

funds so he could receive payment — even though the customers were not deceased. An FBI investigation determined he received almost \$400,000 in death benefits this way.

## **Action against nursing home administrator upheld**

A state appeals court upheld a decision by the Department of Health and Senior Services to permanently place a nursing home administrator on the employee disqualification list.

The administrator, who worked at a St. Louis-area nursing home, did not turn on the air conditioning when temperatures inside the home rose close to 100 degrees. Four patients died from hyperthermia.

The appeals court ruling means the administrator can never work in health care in Missouri.

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## **DIVISION ATTORNEYS REPRESENT PROFESSIONAL LICENSING BOARDS**

- Accountancy
- Acupuncturist
- Architects, Professional Engineers, Land Surveyors and Landscape Architects
- Office of Athlete Agents
- Office of Athletics
- Barbers and Cosmetologists
- Licensed Clinical Social Workers
- Commission for the Deaf and Hard of Hearing
- Dental
- Dietitians

- Embalmers and Funeral Directors
- Endowed Care Cemeteries
- Geologists
- Registration for the Healing Arts
- Healing Arts Advisory Committees
- Hearing Instrument Specialists
- Interior Design Council
- Marital and Family Therapists
- Massage Therapists
- Nursing
- Nursing Home Administrators
- Occupational Therapy
- Optometry

- Pharmacy
- Podiatry
- Committee of Professional Counselors
- Division of Professional Registration
- Psychology
- Real Estate Appraisers
- Real Estate Commission
- Respiratory Care Practitioners
- Speech Interpreters Committee
- Tattooing, Body Piercing and Branding
- Teacher Certification



## Money from tobacco settlement continues to come into Missouri

More than \$140 million was paid to Missouri by the tobacco companies that are part of the 1998 agreement with Attorney General Nixon and the attorneys general of 45 other states.

In addition, the companies that were not part of that agreement but still sell tobacco in Missouri are required by state law to pay an amount into escrow, based on their sales in the state.

Division attorneys collected almost \$7 million for this escrow fund in 2005, plus another \$155,000 in penalties.

Division staff also obtained



### Global collections

Division attorneys have pursued and collected money from more than 15 tobacco manufacturers around the globe

\$12.7 million in judgments against companies required to pay into escrow.

### Division collections

In addition to the \$6.9 million collected from tobacco manufacturers, division attorneys in 2005 collected \$3.2 million for state agencies through the Medicaid Litigation Unit, with another \$3.6 million awarded to those agencies or otherwise protected for taxpayers.

Attorneys also brought in \$121,591 for the Missouri Petroleum Storage Tank Insurance Fund, \$268,500 for the Gaming Commission and \$46,370 for the Department of Health and Senior Services.

## Casino that underpaid winners pays \$115,000 to state

The Ameristar St. Charles casino was fined \$115,000 after division attorneys brought a case on behalf of the Missouri Gaming

Commission.

An investigation showed customers who won payouts on the casino's progressive slot

machines were paid less than they should have been, due to a computer error.

## DIVISION ATTORNEYS REPRESENT OFFICIALS, DEPARTMENTS, AGENCIES

Division attorneys represented or provided legal advice to the governor, secretary of state, treasurer and auditor. They also represented several departments, department divisions and agencies:

### DEPARTMENTS & DIVISIONS

- Elementary and Secondary Education
- Health and Senior Services
- Mental Health
- Social Services
- Vocational Rehabilitation

### AGENCIES

- Lottery Commission
- Petroleum Storage Tank Insurance Fund

# LABOR

## DIVISION

## Workers' fund defended against questionable claims

### **Judge rules disability benefits end with death**

Labor attorneys successfully defended the Second Injury Fund by arguing that benefits to an employee who was permanently and totally disabled ended with the death of the employee.

The judge ruled against the spouse of the employee, who argued that those benefits should continue through her lifetime.

### **Judge finds claimed accident didn't occur**

An employee of a restaurant made a claim against the Second Injury Fund after he said he slipped at work, injuring his leg and lower back.

Medical records, however, showed that the employee had visited the doctor prior to the alleged fall, indicating that he was trying to pass off an old injury on to his new employer.

The employer even said the employee asked him to lie about the injury. The claimant was not found to be a credible witness, and the judge found that there was no accident.



### **Protecting**

**workers:** Labor Division attorneys protect Missouri workers by making sure funds are available to help them when they are injured: Undeserving workers who misrepresent their injuries and ability to work are denied funds or reduced funds.

### **Appeals court affirms disability due to heart disease, not shoulder injury**

The Missouri Court of Appeals, Eastern District, upheld the denial of a claim by the Labor and Industrial Relations Commission.

The employee sought permanent total disability benefits from the Second Injury Fund, claiming a shoulder injury combined with pre-existing heart disease rendered him disabled.

The commission ruled the evidence showed his disability was due to the heart condition that had developed well before the shoulder injury occurred.

### **Vague claims and testimony lead to ruling of no liability**

The Second Injury Fund was found to be not liable in a case where the attorney for the deceased claimant had no expert testimony or any depositions from his client.

The judge found that the testimony of the man's brother about his mental and physical condition prior to his death was not credible, because the brother was not a health professional and had not seen him for months before his death.

### **ABOUT THE DIVISION**

Labor Division attorneys protect Missouri workers by defending the Second Injury Fund. The state fund compensates injured workers when a current work-related injury combines with a prior disability to create an increased combined injury.

Labor Division attorneys protect Missouri workers by making sure funds are available to help them when they are injured. Undeserving workers who misrepresent their injuries and ability to work are denied funds or reduced funds.

# Labor Division lawyers defend injured workers' fund

## **Judge, commission find no covered injury, no permanent disability**

An employee who had already settled with his employer made a claim for permanent total disability benefits against the Second Injury Fund.

Labor attorneys argued that the injury was not caused by his work and did not result in any permanent disability. The administrative law judge and the commission agreed, finding that the fund was not liable.

## **Aging and arthritis responsible for complaints, not occupational injury**

Division attorneys successfully argued against the Second Injury Fund having to pay a woman who claimed that she suffered

permanent total disability due to occupational disease.

The attorneys showed that the woman's complaints were not due to occupational injuries, but rather to the natural progression of aging and arthritis.

## **First work injury caused disability for miner, not second**

The Second Injury Fund was found to not be liable for a permanent total disability claim by a miner from southeast Missouri.

The miner initially injured his neck in 1998 and had several surgeries. After he returned to work, he aggravated the neck injury again and retired because he said he could no longer work

with the neck pain.

His claim that he should receive benefits from the fund was rejected, however, when attorneys showed the disability was a result of the 1998 injury alone.

## **Second Injury Fund not responsible for problems from earlier injury**

An administrative law judge found the fund was not liable for \$19,000 in medical bills claimed by an employee who said he injured his knee.

An examination of medical records found that the injury to the knee was actually due to an incident several months before while he was working for a different employer.

# LITIGATION

## DIVISION

### \$437,000 in unclaimed property turned over to state treasurer

A court directed that more than \$437,000 being held by the St. Louis sheriff be turned over to the Missouri state treasurer as unclaimed property.

The property had been seized from arrested persons and was no longer useful as evidence.

Division attorneys intervened in a case addressing disposal of the property to have it properly delivered to the state as unclaimed property.

### Penalties collected for violations of prevailing wage law

The division assisted in collecting more than \$50,000 in penalties from contractors who violated the state's prevailing wage law by underpaying their employees.

The cases included settlement of repeated violations by subcontractors working on a student housing project at Northwest Missouri State University.



**Supporting the MKT bridge:** Attorney General Nixon announces his lawsuit to stop the giveaway of the historic MKT lift bridge at Boonville to reporters and Katy Trail users and supporters along the trail in historic downtown St. Charles. Nixon said he is concerned about plans to relinquish the state's interest in the historic bridge that would result in its dismantling by the Union Pacific Railroad.

With the cooperation of the university, Litigation attorneys were able to make sure that notice was given in both English and Spanish to workers who were underpaid and to establish a pool of funds to pay claims.

### Missouri method of execution upheld

Timothy Johnston, who received the death sentence for murdering his wife, challenged the constitutionality of Missouri's method of lethal injection.

Division attorneys successfully defended the method in federal court.

### ABOUT THE DIVISION

The Litigation Division defends the state and its agencies and employees against thousands of lawsuits each year, and handles some of the most complex issues facing the state, including:

- Defending constitutional challenges to state laws.
- Advancing the state's interest in complex cases.
- Defending lawsuits filed by state prisoners.
- Defending the state in employment and tort cases.



## Juries deny employment cases against state

Division attorneys obtained jury verdicts in favor of state agencies in three employment discrimination cases.

- They successfully defended the Department of Social Services against a claim of retaliation; the plaintiff sought \$100,000 in damages, back pay, reinstatement and a promotion. Supervisors had terminated the employee when her work did not improve after she was put on a corrective action plan.

- Litigation attorneys successfully defended against a claim against the Secretary of State where the employee sought \$500,000 after being terminated. The jury found for the Secretary of State on all claims.

- A jury found in favor of the Department of Labor and Industrial Relations in a case where the plaintiff claimed failure to hire because of alleged age and gender discrimination.

The plaintiff sought \$1.6 million in damages. The jury found no evidence of discrimination that contributed to the hiring process.

## Litigation Division successfully defends law enforcement officials, action taken by Missouri Board of Examiners

### **Corrections employees defended**

Division attorneys successfully defended employees of the Department of Corrections against claims by inmates in several lawsuits, including five jury-tried cases in federal court.

In one case, an inmate claimed that the mail room supervisor failed to mail out his legal mail.

The inmate dismissed the claims before the case went to the jury.

### **Hearing aids must be properly fitted and tested**

Division attorneys sought an injunction on behalf of the Missouri Board of Examiners for Hearing Instrument Specialists to prevent a company from selling hearing instruments through the mail.

The injunction was sought because the company was sending the hearing aids without prior fitting and testing by a Missouri licensed hearing instrument specialist, as required by law.

The company claimed the law was pre-empted by the federal Food, Drug and Cosmetic Act and that the law violated the Commerce Clause.

The court found in favor of the division attorneys and the board.

### **Excessive force claims rejected**

Division attorneys successfully defended police officers in two jury trials in state court. The juries found in favor of the officers against claims of excessive force.

In one case, the plaintiff sought \$450,000 in damages; in the other, the plaintiff sought \$500,000.

# PUBLIC SAFETY

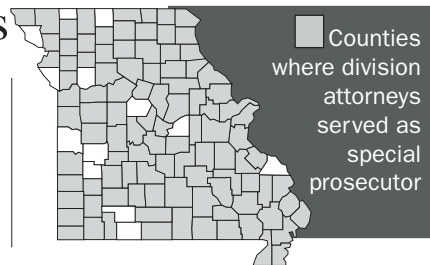
## DIVISION



After speaking at the 18th annual Missouri Law Enforcement Memorial Service, Attorney General Nixon talks with Janice Barwick, mother of St. Louis police officer Michael Barwick. Officer Barwick died in an automobile accident during the pursuit of a stolen car in 2002. Left, officers stand at attention.

## Division assists prosecutors in 101 counties

The Public Safety Division handled 749 special prosecutions in 101 of Missouri's 114 counties and the city of St. Louis in 2005. Division attorneys assist local prosecutors in complicated trials or are appointed as special prosecutors when there is a conflict of interest. This legal work saved counties approximately \$3.1 million in 2005.



## Attorney General's fight against meth continues throughout Missouri

The Attorney General continued to assist local officials in prosecuting meth-related cases. The division obtained 66 convictions of those possessing or dealing the dangerous drug. Law enforcement officials busted more than 2,100 meth labs in Missouri.

● **Vincent Hummer** was convicted of drug possession with intent to distribute and possession of a controlled substance in Macon County. He was stopped for a traffic violation and, while alone in the officer's car, made incriminating phone calls recorded on the

officer's audio/video system.

● **Bill Briggs**, a school janitor, was convicted of making meth and numerous counts of delivering and possessing controlled substances. He was sentenced to 15 years. The case originated out of Howard and Linn counties.

### ABOUT THE DIVISION

Public Safety Division attorneys assist local prosecutors in serious or difficult trials and grand jury proceedings. They also:

- Prosecute workers' compensation fraud and noncompliance cases.
- Represent the Department of Public Safety, including the highway patrol.
- Train law officers and state troopers and produce an issues-oriented Front Line Report.
- Assist law enforcement and prosecutors with meth and high-tech crime cases.
- Prosecute abuse and neglect of nursing home residents and Medicaid fraud cases.
- Civilly commit sexually violent predators.

## Medicaid Fraud unit recovers \$27M, obtains convictions

The division brings legal action against health professionals and others who defraud the Missouri Medicaid program. In 2005, the division's Medicaid Fraud Control Unit helped obtain seven criminal convictions, and returned more than \$27.9 million to taxpayers in settlements with pharmaceutical and medical equipment companies. Among the cases:

● **Carri Anne Ellis, Brian Ellis** and their Kansas City business, **Change of Heart**, were each convicted of Medicaid fraud and ordered to pay over \$242,000 in restitution. The Ellises also pleaded guilty to stealing by deceit and forgery for falsifying Medicaid billings. Both were placed on probation; Carri Ellis served four months in prison and was ordered to pay an additional \$22,312 for stealing from the Children's Treatment Services Fund.

● **Debra Perry** pleaded guilty in Dunklin County to Medicaid fraud and stealing Medicaid funds by deceit for submitting bills for home-care services she did not perform. Perry was placed on probation for five years, served 33 days in jail, and was ordered to pay over \$21,700 in restitution.

● **Mary Sloan-Bell**, a licensed clinical social worker in St. Louis, pleaded guilty to stealing by deceit for billing Medicaid for counseling services she did not provide. She was placed on probation for five years and ordered to pay the state \$35,206 in restitution.

## Division obtains murder convictions

Division attorneys obtained 10 first-degree murder convictions that resulted in nine sentences of life without parole and one sentence of life imprisonment. Another nine defendants were found guilty of second-degree murder. Among the convictions:

● **Carla Clay** was convicted in Randolph County of two counts of first-degree murder and sentenced to life without parole for suffocating her two infant children. The murders occurred about a year apart and only came to light when suspicion arose after the second infant died.

● In separate trials, **Lance Berry** and **Quinton Canton** were convicted of second-degree murder, robbery and armed criminal action in the

shooting death of Gus Karellas, owner of G and D Steakhouse in Mexico. Berry received four consecutive life sentences; Canton received consecutive terms of 30 years for murder, life for robbery, and 45 years for two counts of armed criminal action.

● **Ivan Johnson** was convicted of first-degree murder and robbery in the Macon County beating death of John Wolfe. Johnson had planned and talked about robbing Wolfe. Johnson was sentenced to life, plus 20 years.

● **Daniel Stewart** was convicted by a jury for murdering his wife, an elementary school counselor, in Ava. Stewart was sentenced to 25 years in prison.

## Division working to keep state safer

### 13 sex predators committed

The Attorney General continued to protect the public by seeking the civil commitment of sexually violent predators after they completed their prison sentences. Division attorneys successfully argued to have 13 predators committed to the Department of Mental Health for treatment. A predator is committed until a jury or judge determines that the defendant is considered safe.

### Sheriff's volunteer convicted of stealing, impersonation

A volunteer "ranger" for the Webster County Sheriff's Office was found guilty of felony stealing for taking a firearm from a repossessed car. Terry Voss also pleaded guilty in Polk County to seven misdemeanor counts for impersonating a police officer and false imprisonment. Voss was placed on five years probation.

### Record workers' comp penalties recovered

Division attorneys take legal action against those making false claims for workers' compensation, as well as against employers who evade their responsibility to have workers' compensation coverage.

In 2005, the Attorney General's Office obtained 26 convictions, collected a record \$759,262 in penalties from businesses illegally not carrying workers' comp insurance, and obtained compliance from 362 businesses.

### Man sentenced for child molestation

A Crawford County jury convicted Jerry Guese of child molestation. He was sentenced to 10 years in prison for molesting a 6-year-old relative.

# YEAR-END

## REVIEW

For more details about these events,  
go to [www.ago.mo.gov](http://www.ago.mo.gov).

### JANUARY

**Jan. 4:** Nixon sues Hope Madewell of Raytown for not delivering merchandise she sold through Internet auction services. At least 24 consumers received neither the merchandise nor refunds from Madewell.

**Jan. 4:** AT&T agrees to pay \$50,000 to the state for overbilling more than 29,000 Missouri consumers.

**Jan. 6:** Nixon supports youth anti-smoking legislation proposed by Sen. Yvonne Wilson of Kansas City. The programs would be funded by new revenue from the 1998 tobacco agreement.

**Jan. 7:** Nixon warns Missourians about e-mail scams purporting to solicit contributions for the relief efforts following the devastating tsunami in Southeast Asia.

**Jan. 10:** Nixon and 48 other states' attorneys general announce a \$40 million settlement with State Farm. Hundreds of Missouri consumers are eligible for compensation from State Farm for salvage vehicles the company failed to title properly.

**Jan. 13:** "Operation Shark Net" combats a variety of financial scams against consumers; Nixon files lawsuits around the state.



Peter Lyskowski, attorney in the Consumer Protection Division, and Attorney General Nixon



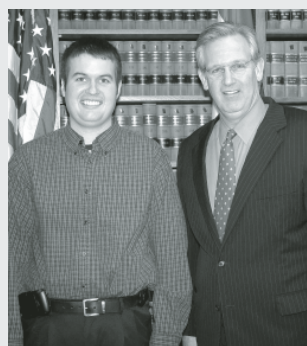
Carla Woolf-Woods, Consumer Protection

### Outstanding employees

Attorney General Nixon recognized four staff members in 2005 for their contributions to the office and the state. They are Carla Woolf-Woods, executive secretary in Springfield; and Jefferson City employees Peter Lyskowski, attorney; Mae Lansford, legal assistant; and Mike Roling, software programmer analyst.



Mae Lansford, Financial Services



Mike Roling, Public Safety

**Jan. 13:** Nixon files charges of securities fraud against Springfield insurance agent Bill Hull.

**Jan. 14:** An Internet porn billing company pays \$15,000 in restitution to Missouri consumers who never visited the Web sites billed for, under an agreement with Nixon.

**Jan. 14:** Nixon warns small businesses and organizations about phony invoices for solid waste consulting services.

**Jan. 19:** Nixon supports legislation sponsored by Rep. John Burnett of Kansas City to regulate interest rates for the payday loan industry.

**Jan. 19:** Consumer protection attorneys returned \$2.7 million to consumers in 2004 through informal mediation.

**Jan. 21:** Environmental protection attorneys file suit against a Ralls County developer for polluting the Salt River.

**Jan. 25:** Nixon sues the owner of a Kansas City weight loss company who collected up-front "setup" fees and failed to deliver on promises.

**Jan. 27:** The Attorney General brings criminal charges against a Marshfield woman who never delivered eight sets of Kansas Speedway tickets she sold on eBay for \$7,000.



## FEBRUARY

**Feb. 3:** Nixon advises Missourians on ways to prevent identity theft during National Consumer Protection Week 2005.

**Feb. 4:** A defunct chip mill in Scott County is ordered to pay almost \$400,000 for failing to produce jobs promised as part of a community development block grant.

**Feb. 9:** SBC agrees to pay \$150,000 and honor the Missouri No Call list. This closes the last major loophole for the giant telephone companies in the state's No Call law.

**Feb. 9:** A Kansas City couple must pay more than \$274,000 in fines and repayments after pleading guilty to defrauding the Medicaid program. The wife also was sentenced April 1 to five years in prison. Nixon's Medicaid Fraud Control Unit investigated and prosecuted the case.

**Feb. 15:** Nixon announces a \$50,000 settlement with a Kansas City firm that purported to buy televisions and stereos in a purchase/leaseback scheme.

**Feb. 15:** The Missouri Supreme Court sets an execution date for Stanley L. Hall, who threw a St. Louis woman off the McKinley Bridge in January 1994. He is executed on **March 16**.



**Feb. 18:** Nixon sues two individuals for gathering donations under a bogus Lincoln University "booster club." Above, Reuben Shelton, president of the LU Board of Curators (and former assistant attorney general), Dr. Carolyn Mahoney, LU president, and Nixon discuss the lawsuit.

**Feb. 16:** Nixon sues a British company that defrauded consumers with its vague and misleading "cashable voucher program." The court froze \$10 million in two Missouri bank accounts held by the defendants. On **Sept. 1**, Consumers Trust agrees to issue replacement vouchers to consumers and pay \$1.8 million in restitution and costs.

**Feb. 17:** A St. Louis man pleads guilty on charges he used false documents to fraudulently receive \$35,000 in economic development grants in a case prosecuted by Nixon's office and St. Louis Circuit Attorney Jennifer Joyce.

**Feb. 25:** Nixon encourages Missourians to obtain free copies of their credit reports beginning March 1.

## MARCH

**March 3:** The names and stories behind the Murder Wall convey the true impact of violent crime, Nixon says in a ceremony marking the arrival of the wall in the Capitol rotunda.

**March 10:** A Springfield man pleads guilty and is sentenced to pay a fine, shock detention and probation for dumping a 50,000-gallon mix of spoiled molasses and water that polluted freshwater springs in Greene County.

**March 14:** Nixon warns Missourians about illegal pyramid schemes disguised as "gifting" clubs; Consumer Protection attorneys are investigating several such schemes around the state.

**March 18:** Nixon sues the St. Joseph Museum, asking the court to order the museum to release certain documents and declare that the museum is subject to the Missouri Sunshine Law. On **June 15**, Nixon dismisses the lawsuit after the museum board agrees to comply fully with the Sunshine Law.



**March 15:** Nixon calls on the General Assembly to renew the state's lapsed waste tire disposal fee. Nixon spoke at a blazing illegal tire dump containing more than 1.2 million tires in Polk County. He is joined by EPA officials. The next day, Nixon visits the site of a tire fire in Ray County.

**March 18:** Consumer Protection attorneys in Nixon's office file suit against an Annapolis construction company that collected down payments from Missourians but never performed the home repairs and construction promised.

**March 18:** Nixon obtains a judgment against American Modern Exteriors, of Springfield, requiring the company to pay more than \$10,000 in restitution to customers who paid deposits for home repairs and never saw any results.

**March 21:** The Terri Schiavo situation is a reminder of the importance of advance directives and end-of-life planning, Nixon says. "Life



Choices," written by attorneys in Nixon's office and members of the Missouri End of Life Coalition, is available from his office.

**March 22:** Nixon sues a Webster County man who refused to clean up piles of waste roofing shingles near Fordland, Mo.

**March 23:** Springtime marks the beginning of home-repair and remodeling season – and home-repair rip-off season, Nixon reminds homeowners.



**April 7:** Attorney General Nixon joins St. Louis Baseball Cardinals President Mark Lamping in the introduction of a verification system that will help combat the sale of counterfeit tickets.

**March 28:** The Missouri Supreme Court sets an execution date for Donald Jones, who stabbed his grandmother to death in March 1993 after she refused to give him money for drugs. On **April 27**, he is executed.

**March 29:** Blockbuster Video must stop its deceptive "No Late Fees" promotion and offer a one-time refund to consumers who were misled by the program, under an agreement announced by Nixon and

46 other states' attorneys general.

**March 31:** Nixon presents the Missouri Medicaid program a check for \$1,841,774 from a settlement with Pfizer, the world's largest pharmaceutical manufacturer. Nixon's Medicaid Fraud Control Unit and Consumer Protection Division helped negotiate the settlement over the company's illegal promotion of an epilepsy drug.



**May 4:** Guillermo A. Rodriguez (far left), Genaro Salas, Miriam A. Long, Ampy Kollman-Moore and David Fernandez meet with Nixon to discuss issues of importance to the Hispanic community in Missouri. It was Hispanic Day in Jefferson City.

## APRIL

**April 13:** Nixon and the city of Carthage sue Renewable Environmental Solutions for failing to eliminate a foul odor area residents have found intolerable. RES converts agricultural and animal wastes to oil, gas, minerals and fertilizer. On **May 6**, a preliminary settlement is announced.

**April 15:** The Missouri Supreme Court sets an execution date for Vernon Brown, who strangled a 9-year-old girl to death in October 1986 in St. Louis. On **May 18**, he is executed.

**April 20:** Consumer Protection attorneys obtain a court order requiring Heartland Farm Services, a propane and fertilizer service in Benton County, to repay \$879,033 to 28 customers and prohibiting both owners from ever again owning or operating a business in Missouri. Robert and Raelene Bain reneged on contracts they signed with rural customers after forcing consumers to pay non-refundable initial fees.



**April 28:** Nixon announces a nationwide settlement with AstraZeneca Pharmaceuticals. The company will pay \$24.9 million to settle allegations it defrauded state Medicaid programs by providing free samples of a cancer medication to physicians and encouraging physicians not to report discounts on the drug. Missouri's share of the settlement is \$453,466.

## MAY

**May 3:** A judge orders a Branson travel club that sold fake discounted travel packages to repay more than \$13,500 to Missouri consumers. Nixon sued World of Vacations along with nine other travel-related businesses in August 2003.



**May 5:** Satellite television provider EchoStar Communication, which does business as Dish Network, agrees to pay more than \$50,000 for violating the state's No Call law as part of a settlement with Nixon.



### Family, friends, law enforcement officers remember those killed in line of duty



**May 7:** Law enforcement officers from around the state gathered in Jefferson City to remember their comrades during a service at the Missouri Law Enforcement Memorial behind the Capitol. Above, Attorney General Nixon gives the keynote speech, remembering Joplin police officer Tim Nielson and Riverview police officer Brad Schultz, whose names were added to the memorial.

**May 10:** Nixon obtains a temporary restraining order against Vertical Group. The Columbia-based business took hundreds of thousands of dollars and promised returns of up to 1,000 percent. Investors didn't receive those returns and lost their principal.

**May 11:** Nixon sues Dey Inc. and Warrick Pharmaceuticals Corp. for inflating reported prices of drugs charged to the Missouri Medicaid program by at least \$15 million over a period that potentially goes back to 1994.

**May 13:** Nixon announces that True Source Marketing will pay \$15,000 for violations of the Missouri No Call law.

**May 17:** Nixon announces a lawsuit settlement that allows the continuation of Missouri's Minority

Business Enterprise and Women Business Enterprise programs.

**May 18:** Nixon's office finalizes a \$1.3 million settlement with AmerenUE for a 2002 fish kill at Bagnell Dam on the Lake of the Ozarks.



**May 25:** Nixon talks with Cole County Sheriff's Deputy John Wheeler and daughter Rachael, who carried the torch in the 2005 Special Olympics Law Enforcement Torch Run.

**May 18:** Reliable Imports and Motorhomes Inc. of Springfield must pay \$70,000 for deceptive advertising, Nixon announces.

**May 27:** Crawford County Circuit Clerk Karen A. McPeters pleads guilty to five felony and two misdemeanor charges of stealing over \$10,000 from the county.

**May 27:** Missouri's No Call registry breaks the 2 million mark.

**May 31:** Debbie Perry, an in-home health care provider who billed the state Medicaid program for more than 24 hours of work a day and billed for services performed simultaneously, waives a preliminary hearing and will stand trial on 39 felony counts of Medicaid fraud in Dunklin County.

## 2004 Annual Report

MISSOURI VEHICLE STOPS

**May 31:** The Attorney General's Office releases its fifth annual report on Missouri traffic stops. Nixon urges law enforcement to continue to work to eliminate the perception that race is the sole basis of traffic stops in the state.

## Nixon pushes to save historic lift bridge in Boonville



**May 18:** Nixon and Paula Shannon (right), chair of the Save the Katy Bridge committee, talk to reporters Theresa Krebs, Boonville Daily News, and Matt Franck, St. Louis Post-Dispatch. On **May 26**, Nixon sues the Department of Natural Resources director to stop the proposed giveaway of the bridge to Union Pacific Railroad.

### JUNE

**June 2:** Nixon announces a settlement with Circle Environmental, an industrial dry-cleaning company, under his new Missouri Supplemental Environmental Projects program. The Fulton company will convert one of its two dry-cleaning machines to use a non-hazardous cleaning agent in lieu of paying a civil penalty.

**June 15:** Nixon cautions Missourians about driveway and parking lot paving scams.

**June 16:** The former owner of a Branson

travel club will pay \$42,544 in restitution. Gary Snadon failed to get consumers promised deals and used high-pressure sales tactics to get consumers to purchase memberships.

**June 22:** Nixon sues an Independence man to have him help pay for the cleanup of 60,000 waste tires he dumped on property near Plattsburg.

**June 22:** A judge orders Holt Construction to remediate damage to the Pomme de Terre River caused when the

company illegally built a rudimentary gravel bridge across the river.

**June 22:** A licensed clinical social worker in Audrain County is charged with 32 counts alleging she defrauded the Medicaid program.

## NO CALL

**June 23:** Nixon sues TE Mortgage Corp., alleging it placed more than 300 calls to Missourians on the state's No Call list. In **December**, the Battlefield company agrees to pay \$15,000.



**June 16:** Assistant Attorney General Linda Manlove, a member of the U.S. Navy Reserves, presents the Patriotic Employer Award to Nixon. The award was given for Nixon's willingness to authorize leave with pay for military service. The award is issued by the U.S. Department of Defense. Manlove served as staff judge advocate at Naval Support Activity in Bahrain.



**June 27:** Nixon settles No Call lawsuits against three Branson travel companies. The three businesses will pay a total of \$22,500 for making telemarketing calls to Missourians on the No Call list.

**June 27:** Nixon sues a Mississippi County gas station owner for reimbursement to the state for costs incurred in cleaning up a 17,000-gallon gas spill on his property.

## JULY

**July 1:** Nixon sues to recover the state's costs from two Texas companies that allegedly caused a 2,300-gallon petroleum leak at a Kansas City gas station.

**July 5:** Nixon sues the developers of Sun Valley Subdivision near Tightwad for leaving families there with "woefully inadequate" water and sewage systems.

**July 5:** Attorneys in Nixon's office sue the owner of a Marshfield convenience store for multiple violations of the state's Underground Petroleum Storage Tank Law.

**July 6:** A Carroll County man is sentenced to 15 years in prison for distributing cocaine near a high school.



**Aug. 9:** Nixon presents a check in Kansas City for the Hope Lodges of Kansas City and St. Louis, which provide services to cancer patients and their families. They will split more than \$92,000 as part of a settlement between pharmaceutical manufacturer Bristol-Myers Squibb and the Attorney General's Office.

**July 8:** OMNI Data Systems of Kirkwood must pay over \$8,000 under a settlement with Nixon's office. Salon owners complained that they paid OMNI for products they never received and requests for refunds were denied.

**July 15:** Nixon sues a Bethany man for shipping stained and torn clothing to consumers after falsely advertising name-brand clothing on eBay. Consumers assumed they were receiving the top quality clothing they'd seen photos of during an Internet auction. Instead, they received bags of trash.

**July 15:** Charter Communications, the nation's third largest cable television provider, pays \$75,000 for violations of the state's No Call law.

**July 18:** Nixon sues three home repair companies that bilked St. Louis-area residents out of thousands of dollars. The trio defrauded residents through incomplete jobs, shoddy work or taking money without performing work at all.

**July 19:** The Attorney General asks the Missouri Department of Agriculture to order a Jefferson City gas station owner to correct fire safety violations and pay almost \$39,000 in penalties.

**July 21:** Almost 1,900 Missourians will receive checks from Aventis Pharmaceuticals and Andrex Corp. under a settlement to compensate them for overpaying for the drug Cardizem CD.

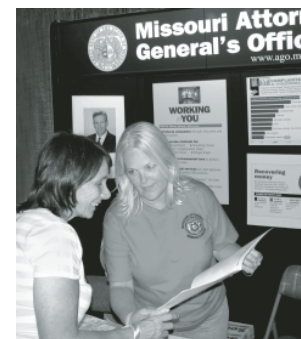
**July 22:** Nixon prepares to sue the Department of Defense to prevent the closing of the Missouri Air National Guard's 131st Fighter Wing in St. Louis.

**July 29:** The Identity Theft Hotline is established to expedite consumer inquiries and complaints about identity theft.

**July 29:** Osage Water Co. is sued by Nixon for violating numerous clean water regulations and state water laws at two subdivisions at the Lake of the Ozarks.

## AUGUST

**Aug. 1:** An execution date is set for Aug. 31 for Timothy Johnston, found guilty of beating his wife to death in their St. Louis home. He is executed on **Aug. 31**.



**Aug. 12:** Lois Douglas, administrative secretary for the Consumer Division, explains a consumer publication at the state fair.

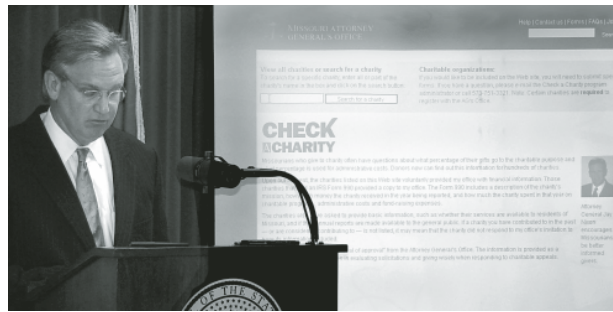
**Aug. 12:** Nixon files to revoke the appeal bond of convicted child molester Richard Sheridan. The Attorney General and state Rep. Jeff Harris call for tougher state laws to eliminate appeal bonds for child molesters and other predators who are convicted of committing violent acts against children.

**Aug. 15:** Nixon freezes the account of a father and son who were soliciting donations by falsely claiming to be police officers.

**Aug. 18:** A Moscow Mills developer is jailed again for ignoring a court order to make environment upgrades to a wastewater treatment center at Deer Creek Estates.

**Aug. 18:** Nixon takes legal action to protect consumers who purchased pre-paid funeral plans and headstones. "Operation Grave Concerns" involves approximately 500 Missouri residents who paid more than \$800,000 for these services.

**Aug. 24:** Two out-of-state companies, MyFreeMedicine.com and Free Medicine Direct, are sued for making fraudulent claims to provide seniors with "free" medicine.



**Aug. 24:** Attorney General Nixon launches "Check a Charity," an online database for consumers to look up financial information on hundreds of charitable organizations that solicit donations in Missouri.

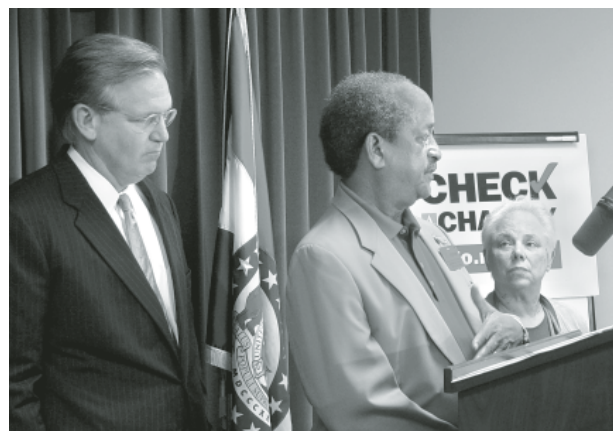
**Aug. 29:** Nixon sues the owner of Need-a-Car Services in St. Louis for advertising car loans to consumers regardless of their credit history, but instead charging them illegal advance fees.

**Aug. 30:** Missouri consumers are warned of scam artists soliciting donations for hurricane relief.

## SEPTEMBER

**Sept. 2:** Nixon obtains an order requiring Hunt Excavating to repair any damage done by the building of an illegal bridge that diverts the flow of Macks Creek.

**Sept. 2:** A Kansas City man must stop advertising items on the Internet that he has no intention of delivering.



**Sept. 7:** Nixon; Harold Crumpton, president of the St. Louis NAACP; and Terry Bloomberg, president of the Jewish Community Relations Council of St. Louis, announce a lawsuit to stop Frank Weltner, a self-proclaimed white separatist, from soliciting donations for hurricane relief and directing that money through anti-Semitic and racist organizations. On **Sept. 16**, Nixon secures an injunction to shut down his Web solicitations.

**Sept. 6:** Under an agreement with the Attorney General's Office, ultrasound business Ultra Life will have to provide information to consumers in advance about their services and will have to work with a Missouri-licensed physician.

**Sept. 9:** A Franklin County jury hands down a 10-count indictment against Dana Luckey for receiving advance payment from consumers for home repairs that he never performed. On **Sept. 30**, he pleads guilty and agrees to pay \$176,000 in restitution.

**Sept. 20:** New York-based Multi-Plays of America is ordered to issue refunds to Missouri consumers who believed they were receiving recommended numbers to increase their chances of winning the lottery.

**Sept. 20:** Nixon recovers \$974,182 as part of a 40-state settlement with Gambro Healthcare Inc. for improperly billing Medicaid for supplies and equipment provided to dialysis patients.

**Sept. 23:** Nixon extends his price gouging investigation for several more weeks to include complaints following the latest hurricane threat. On **Sept. 28**, that investigation leads to legal action being taken against 10 gas stations.

**Sept. 26:** MTM, a Lake St. Louis business that received more than \$40 million from the state of Missouri for non-emergency medical transportation services for Medicaid recipients, agrees to pay \$2.4 million in a settlement with the Attorney General's Office.

**Sept. 26:** The Missouri Supreme Court sets an execution date of **Oct. 26** for Marlin Gray, convicted in the 1991 murder of two sisters on the Chain of Rocks Bridge in St. Louis. He is executed on that date.

**Sept. 30:** A Florida telemarketing company selling travel packages will pay \$20,000 for violating the Missouri No Call law.

## OCTOBER

**Oct. 4:** A Camden County asphalt paving business is ordered to repay \$22,000 to customers for shoddy work and for threatening and coercing customers.

**Oct. 4:** Nixon sues a clock repairman for accepting clocks and watches for repair then never returning the items to their owners.

**Oct. 7:** A group of companies that failed to provide workers' compensation insurance coverage for several businesses after collecting \$900,000 in



**Sept. 15:** A lawsuit is filed against a Callaway County man and his stepdaughter for illegally dumping around 10,000 old tires and other waste near Auxvasse.

premiums must pay \$75,000 to the state and be responsible for paying claims.

**Oct. 13:** Criminal charges are filed against a Nixa man for accepting deposits on kitchen cabinets then closing his business without giving refunds or delivering the cabinets.

**Oct. 14:** Nixon obtains an order requiring a closed poultry processing plant in Exeter to clean up more than 100 tons of rotting chicken parts.

**Oct. 17:** Serono Inc. pays a record \$21 million in a Medicaid fraud settlement for the illegal marketing of an AIDS drug.

**Oct. 19:** Nixon asks Congress to increase funding for the Low Income Home Energy Assistance Program in an effort to help Missourians with rising winter heating prices.

**Oct. 21:** Missouri natural gas companies are asked to provide the Attorney General's Office with price projections

and what their measures are for protecting Missouri consumers during winter months.

**Oct. 24:** Nixon files to intervene in a Public Service Commission investigation to ensure consumers are receiving gas service at reasonable and lawful rates.

**Oct. 25:** Nixon posts information on his Web site so consumers can search a list of previously damaged vehicles affected by State Farm settlement.

**Oct. 27:** A temporary restraining order freezes the assets of St. Louis area appliance store, Cohen Appliance, that suddenly closed while still owing customers appliances or refunds. Nixon succeeds in obtaining appliances or refunds for the consumers.



**Oct. 6:** Nixon receives a distinguished service award from Debra Park Oliver, chair of the Missouri End-of-Life Coalition, at a statewide end-of-life summit held in Jefferson City. The award recognizes Nixon's work to help Missourians in addressing end-of-life issues and decisions.





**Oct. 27:** Attorney General Nixon welcomes delegates from across Missouri who convened in the state Capitol as part of the Silver Haired Legislature. The legislature is a formally elected body of Missourians age 60 and older that meets for three days each fall to conduct a model legislative session. Members present, debate and vote on a docket of bills and resolutions that affect not only seniors, but all Missourians.

## NOVEMBER

**Nov. 1:** A Tennessee-based manufacturer of generic drugs pays out over \$3 million in a settlement for underpaid rebates to Medicaid.

**Nov. 7:** Nixon sues two drug companies for illegally blocking the introduction of a generic version of oral contraceptive; the companies' actions meant consumers paid more.

**Nov. 8:** The Tebo Creek Lodge Bar and Grill is sued for discharging sewage into a tributary of Truman Lake.

**Nov. 9:** A former Lincoln County Circuit Court employee is charged with felony stealing for collecting \$3,800 in funds for the court but not depositing them.

**Nov. 14:** Missouri is part of a 47-state agreement with Western Union to protect and educate consumers against wire transfer scams.

**Nov. 17:** Nixon takes legal action to recover money from 33 Missouri inmates who collected money through an Internet pen-pal service.

**Nov. 23:** The former and current owners of a closed gas station site in Oran must clean up petroleum contamination of underground storage tanks and pay a \$6,000 penalty to the state.

**Nov. 28:** Festiva Resorts, which sells timeshare packages in Branson is sued for high-pressured and misleading sales tactics.



**Nov. 21:** Nixon files lawsuits against 13 companies to stop the sending of unsolicited faxed advertisements to businesses. Above, he visits with Dane and Cara Bowman, owners of Hannibal Overhead Door. They filed a complaint with the office.





## DECEMBER

**Dec. 6:** Nixon and Mark Musso (above), CEO of Special Olympics Missouri, explain how fake donation boxes for Special Olympics were placed in retail stores in the Joplin area. Nixon and Jasper County Prosecuting Attorney Dean Dankelson filed charges against a Joplin man for setting up the fake collection boxes.

**Dec. 9:** A federal district court lawsuit is filed to prevent the loss of jobs and F-15 fighter jets from the 131st Fighter Wing in St. Louis.

**Dec. 13:** The illegal discharge of creosote into the Little Sac River from a wood-treatment facility leads to a \$138,000 payment to the state.

**Dec. 14:** An agreement between City Utilities of Springfield, the Department of Natural Resources and the Attorney General's Office will help protect fish in the James River.

**Dec. 16:** A temporary restraining order is issued against two Joplin men for operating a fraudulent magazine subscription service.

**Dec. 21:** With an estimated 3,900 Missourians reporting identity theft to the Federal Trade Commission, tougher legislation is proposed for the 2006 session.



**Dec. 14:** Nixon and Guadalupe Centers Associate Director Bernardo Ramirez announce Spanish versions of two of Nixon's most popular publications, Know Your Rights (Conozca sus derechos) and Landlord-Tenant Law (Leyes de arrendadores e inquilinos).

**Dec. 21:** Forty state attorneys general enter into an agreement with ConocoPhillips Co. to help prevent the sale of tobacco to minors.

**Dec. 21:** Nixon files a lawsuit against several pharmaceutical companies for a price inflation scheme that has cost the Missouri Medicaid program at least \$19 million since 1994.



### Nixon begins investigation into dam failure

More than 1 billion gallons of water were released after the Taum Sauk reservoir (above) gave way on Dec. 14, carving a path down Proffit Mountain (left) that carried away trees and topsoil and exposed the bedrock. A newly formed scour hole was created by the flood. The Attorney General's Office has begun both civil and criminal investigations of the dam failure.

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